



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

MARK A. EMKES
COMMISSIONER

FOR IMMEDIATE RELEASE
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MARCH REVENUES

NASHVILLE – Tennessee revenue collections continued to exceed budgeted expectations in March. Finance and Administration Commissioner Mark Emkes reported today that overall March revenues were \$936.1 million, which is \$33.1 million more than the state budgeted. Total tax collections in March were 2.2% above the previous year.

“March collections continued to reflect strong corporate profits from last year, but also reflect very modest retail activity for the month of February, when spending occurred,” Emkes said. “We believe the slowdown in retail spending reflects the two percent increase in the federal payroll tax in January and temporary erosion in consumer confidence, most likely brought about by the federal budget sequestration process.

“While year-to-date corporate tax collections remain very encouraging, we must remember that about a fourth of them typically – but not always - occur in the month of April. Due to the volatility of our corporate tax collections, we will be extremely diligent in monitoring our spending patterns for the remainder of this year, maintaining a balanced budget and financially posturing ourselves for the future.”

On an accrual basis, March is the eighth month in the 2012-2013 fiscal year.

The general fund was over collected by \$35.4 million and the four other funds were under collected by \$2.3 million.

Sales tax collections were \$2.8 million less than the estimate for March. The March growth rate was positive 0.11%. For eight months revenues are under collected by \$33.1 million. The year-to-date growth rate for eight months was positive 1.77%.

Franchise and excise taxes combined were \$42.7 million above the budgeted estimate of \$168.8 million. For eight months revenues are over collected by \$156.5 million. The year-to-date growth rate for eight months was positive 9.12%.

Gasoline and motor fuel collections for March increased by 0.75% and were \$0.2 million above the budgeted estimate. For eight months revenues are under collected by \$15.2 million.

Tobacco taxes collections were \$5.9 million under the budgeted estimate of \$24.7 million. For eight months revenues are under collected in the amount of \$10.7 million.

Inheritance and estate taxes were over collected by \$2.2 million for the month. Year to date collections for eight months are \$12.8 million more than the budgeted estimate.

Privilege tax collections were \$2.2 million more than the March estimate, and on a year to date basis, August through March, collections are \$17.8 million above the estimate.

All other taxes were under collected by a net of \$5.5 million.

Year-to-date collections for eight months were \$127.1 million more than the budgeted estimate. The general fund was over collected by \$141.6 million and the four other funds were under collected by \$14.5 million.

The budgeted revenue estimates for 2012-2013 are based on the State Funding Board's consensus recommendation of December 19th, 2011 and adopted by the second session of the 107th General Assembly in April 2012. They are available on the state's website at <http://www.tn.gov/finance/bud/budget.html>.

The State Funding Board met on December 14, 2012 to hear updated revenue projections from the state's various economists. The board met again on December 19th and adopted revised revenue ranges for 2012-2013. The revised ranges assume an over collection from the July 2012 budgeted estimate in the amount of \$203.0 million to \$287.3 million in total taxes and in the amount of \$224.2 million to \$305.9 million in general fund taxes for the current fiscal year.

Table 1
Revenue Collections by Fund
March
2012-2013

| Fund | 2013 | | | | 2012 | 2013 | |
|--------------------|----------------------|----------------------|---------------------|----------------|----------------------|---------------------|----------------|
| | Actual | Budgeted | B/(W) | Percent | Actual | B/(W) | Percent |
| General Fund | \$782,250,000 | \$746,834,000 | \$35,416,000 | 4.74% | \$765,407,000 | \$16,843,000 | 2.20% |
| Highway Fund | 54,756,000 | 55,124,000 | (368,000) | -0.67% | 51,328,000 | 3,428,000 | 6.68% |
| Sinking Fund | 33,179,000 | 33,239,000 | (60,000) | -0.18% | 32,503,000 | 676,000 | 2.08% |
| City & County Fund | 63,016,000 | 64,871,000 | (1,855,000) | -2.86% | 64,670,000 | (1,654,000) | -2.56% |
| Earmarked Fund | 2,901,000 | 2,899,000 | 2,000 | 0.07% | 2,174,000 | 727,000 | 33.44% |
| Total | \$936,102,000 | \$902,967,000 | \$33,135,000 | 3.67% | \$916,082,000 | \$20,020,000 | 2.19% |

Revenue Collections by Tax
March
2012-2013

| Tax Source | 2013 | | | | 2012 | 2013 | |
|-------------------------------|----------------------|----------------------|---------------------|----------------|----------------------|---------------------|----------------|
| | Actual | Budgeted | B/(W) | Percent | Actual | B/(W) | Percent |
| Franchise & Excise | \$211,541,000 | \$168,800,000 | \$42,741,000 | 25.32% | \$192,043,000 | \$19,498,000 | 10.15% |
| Income | 13,215,000 | 16,021,000 | (2,806,000) | -17.51% | 14,347,000 | (1,132,000) | -7.89% |
| Inheritance & Estate | 10,193,000 | 8,041,000 | 2,152,000 | 26.76% | 6,614,000 | 3,579,000 | 54.11% |
| Gasoline | 42,013,000 | 42,584,000 | (571,000) | -1.34% | 42,268,000 | (255,000) | -0.60% |
| Petroleum Special | 4,426,000 | 4,572,000 | (146,000) | -3.19% | 4,438,000 | (12,000) | -0.27% |
| Tobacco | 18,736,000 | 24,671,000 | (5,935,000) | -24.06% | 24,064,000 | (5,328,000) | -22.14% |
| Beer | 1,269,000 | 1,406,000 | (137,000) | -9.74% | 1,533,000 | (264,000) | -17.22% |
| Motor Vehicle Registration | 26,612,000 | 27,304,000 | (692,000) | -2.53% | 24,135,000 | 2,477,000 | 10.26% |
| Motor Vehicle Title | 1,028,000 | 1,213,000 | (185,000) | -15.25% | 1,159,000 | (131,000) | -11.30% |
| Mixed Drink | 5,594,000 | 5,373,000 | 221,000 | 4.11% | 5,496,000 | 98,000 | 1.78% |
| Business | 5,395,000 | 5,309,000 | 86,000 | 1.62% | 4,696,000 | 699,000 | 14.89% |
| Privilege | 15,183,000 | 12,946,000 | 2,237,000 | 17.28% | 14,426,000 | 757,000 | 5.25% |
| Gross Receipts | 56,000 | (73,000) | 129,000 | 176.71% | 28,000 | 28,000 | 100.00% |
| TVA - In Lieu of Tax Payments | 27,298,000 | 29,385,000 | (2,087,000) | -7.10% | 28,662,000 | (1,364,000) | -4.76% |
| Alcoholic Beverage | 3,901,000 | 3,913,000 | (12,000) | -0.31% | 3,819,000 | 82,000 | 2.15% |
| Sales and Use | 538,532,000 | 541,300,000 | (2,768,000) | -0.51% | 537,965,000 | 567,000 | 0.11% |
| Motor Vehicle Fuel | 10,897,000 | 10,030,000 | 867,000 | 8.64% | 10,201,000 | 696,000 | 6.82% |
| Severance | 211,000 | 168,000 | 43,000 | 25.60% | 188,000 | 23,000 | 12.23% |
| Coin-operated Amusement | 2,000 | 4,000 | (2,000) | -50.00% | 0 | 2,000 | NA |
| Unauthorized Substance | 0 | 0 | 0 | NA | 0 | 0 | NA |
| Total | \$936,102,000 | \$902,967,000 | \$33,135,000 | 3.67% | \$916,082,000 | \$20,020,000 | 2.19% |

Table 2
Revenue Collections by Fund
Year-to-Date
August - March
2012-2013

| Fund | 2012-2013 | | | | 2011-2012 | 2012-2013 | |
|--------------------|------------------------|------------------------|----------------------|----------------|------------------------|----------------------|----------------|
| | Actual | Budgeted | B/(W) | Percent | Actual | B/(W) | Percent |
| General Fund | \$5,969,857,000 | \$5,828,235,000 | \$141,622,000 | 2.43% | \$5,789,027,000 | \$180,830,000 | 3.12% |
| Highway Fund | 443,451,000 | 451,007,000 | (7,556,000) | -1.68% | 442,592,000 | 859,000 | 0.19% |
| Sinking Fund | 267,261,000 | 267,586,000 | (325,000) | -0.12% | 261,090,000 | 6,171,000 | 2.36% |
| City & County Fund | 530,606,000 | 537,211,000 | (6,605,000) | -1.23% | 531,471,000 | (865,000) | -0.16% |
| Earmarked Fund | 23,200,000 | 23,200,000 | 0 | 0.00% | 17,400,000 | 5,800,000 | 33.33% |
| Total | \$7,234,375,000 | \$7,107,239,000 | \$127,136,000 | 1.79% | \$7,041,580,000 | \$192,795,000 | 2.74% |

Revenue Collections by Tax
Year-to-Date
August - March
2012-2013

| Tax Source | 2012-2013 | | | | 2011-2012 | 2012-2013 | |
|-------------------------------|------------------------|------------------------|----------------------|----------------|------------------------|----------------------|----------------|
| | Actual | Budgeted | B/(W) | Percent | Actual | B/(W) | Percent |
| Franchise & Excise | \$1,100,905,000 | \$944,400,000 | \$156,505,000 | 16.57% | \$1,008,910,000 | \$91,995,000 | 9.12% |
| Income | 34,563,000 | 31,819,000 | 2,744,000 | 8.62% | 26,300,000 | 8,263,000 | 31.42% |
| Inheritance & Estate | 66,963,000 | 54,190,000 | 12,773,000 | 23.57% | 64,891,000 | 2,072,000 | 3.19% |
| Gasoline | 399,607,000 | 406,431,000 | (6,824,000) | -1.68% | 405,017,000 | (5,410,000) | -1.34% |
| Petroleum Special | 41,059,000 | 42,449,000 | (1,390,000) | -3.27% | 41,652,000 | (593,000) | -1.42% |
| Tobacco | 178,192,000 | 188,917,000 | (10,725,000) | -5.68% | 182,058,000 | (3,866,000) | -2.12% |
| Beer | 11,780,000 | 11,733,000 | 47,000 | 0.40% | 11,496,000 | 284,000 | 2.47% |
| Motor Vehicle Registration | 162,267,000 | 162,949,000 | (682,000) | -0.42% | 156,651,000 | 5,616,000 | 3.59% |
| Motor Vehicle Title | 7,355,000 | 7,672,000 | (317,000) | -4.13% | 7,646,000 | (291,000) | -3.81% |
| Mixed Drink | 44,611,000 | 41,553,000 | 3,058,000 | 7.36% | 42,208,000 | 2,403,000 | 5.69% |
| Business | 66,578,000 | 64,579,000 | 1,999,000 | 3.10% | 62,467,000 | 4,111,000 | 6.58% |
| Privilege | 147,910,000 | 130,087,000 | 17,823,000 | 13.70% | 131,937,000 | 15,973,000 | 12.11% |
| Gross Receipts | 11,212,000 | 13,794,000 | (2,582,000) | -18.72% | 16,158,000 | (4,946,000) | -30.61% |
| TVA - In Lieu of Tax Payments | 228,195,000 | 234,359,000 | (6,164,000) | -2.63% | 230,332,000 | (2,137,000) | -0.93% |
| Alcoholic Beverage | 34,398,000 | 33,511,000 | 887,000 | 2.65% | 33,346,000 | 1,052,000 | 3.15% |
| Sales and Use | 4,596,175,000 | 4,629,300,000 | (33,125,000) | -0.72% | 4,516,089,000 | 80,086,000 | 1.77% |
| Motor Vehicle Fuel | 100,898,000 | 107,896,000 | (6,998,000) | -6.49% | 102,644,000 | (1,746,000) | -1.70% |
| Severance | 1,603,000 | 1,517,000 | 86,000 | 5.67% | 1,719,000 | (116,000) | -6.75% |
| Coin-operated Amusement | 100,000 | 83,000 | 17,000 | 20.48% | 78,000 | 22,000 | 28.21% |
| Unauthorized Substance | 4,000 | 0 | 4,000 | NA | (19,000) | 23,000 | NA |
| Total | \$7,234,375,000 | \$7,107,239,000 | \$127,136,000 | 1.79% | \$7,041,580,000 | \$192,795,000 | 2.74% |